



**FILED**

12/30/19  
03:15 PM

ALJ/SJP/nd3 12/30/2019

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Investigation on the Commission's Own Motion into the Maintenance, Operations and Practices of Pacific Gas and Electric Company (U39E) with Respect to its Electric Facilities; and Order to Show Cause Why the Commission Should not Impose Penalties and/or Other Remedies for the Role PG&E's Electrical Facilities had in Igniting Fires in its Service Territory in 2017.

Investigation 19-06-015

**ASSIGNED ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING  
ADDITIONAL INFORMATION REGARDING SETTLEMENT AGREEMENT**

On December 17, 2019, Pacific Gas and Electric Company (PG&E), the Commission's Safety and Enforcement Division, the Coalition of California Utility Employees, and the Office of the Safety Advocate filed a joint motion for approval of a settlement agreement. PG&E is directed to respond to the following questions regarding the settlement agreement:

1. Under the terms of the proposed settlement agreement, PG&E will not seek rate recovery for certain wildfire-related expenses and capital expenditures totaling \$1.625 billion. PG&E is directed to provide the following information for each memorandum account and category of expense listed at 2-3 of the settlement agreement:
  - a. Total amount and breakdown of recorded expenses and capital expenditures, including description of activities or projects covered by the expenses and expenditures and time period in which the expenses and expenditures were incurred;

- b. Total amount and breakdown of forecasted expenses and capital expenditures, including description of activities or projects covered by the expenses and expenditures and time period in which the expenses and expenditures are forecasted to be incurred; and
  - c. Explanation of how PG&E will track and report on the progress of shareholder spending on the specified wildfire-related expenses and expenditures and when the settled cost caps are reached.
- 2. Under the terms of the proposed settlement agreement, PG&E will bear a total of \$1.675 billion in financial obligations to resolve this proceeding.
  - a. What is PG&E's estimate as to how much of the \$1.675 billion can be deducted from its federal or state taxes and what would be the corresponding tax savings? What is the basis for this estimate? If PG&E does not currently have an estimate, provide an explanation as to why there is no estimate and when PG&E anticipates developing an estimate.
  - b. Assuming the full \$1.675 billion is tax deductible, what would be the net tax savings for PG&E? Provide an explanation as to how the net tax savings were calculated.
- 3. Under the terms of the proposed settlement agreement, PG&E will spend \$50 million in shareholder funds on specified System Enhancement Initiatives. PG&E is directed to provide additional information regarding the initiatives identified below:
  - a. Tree Crew Training and Certificate Program
    - i. Provide an estimate as to how many people per year are expected to receive the multi-week training.
    - ii. What is the annual cost for this training program? Will shareholder funding of \$6.25 million fully fund the program for a three-year period?
  - b. Pre-Inspector Training and Certificate Program
    - i. Provide an estimate as to how many people per year are expected to receive the multi-week training.

- ii. What is the annual cost for this training program? Will shareholder funding of \$3.5 million fully fund the program for a three-year period?
- c. Light Detection and Ranging (LiDAR) Asset Analysis
  - i. How long will the pilot program continue?
  - ii. What is the total cost to implement the pilot program?
  - iii. Does PG&E already own the necessary LiDAR equipment?
- d. Fuel Reduction Funding
  - i. How many projects or education programs are estimated to be funded through the \$2 million in shareholder funding?
- e. Resilience Centers Grant Program
  - i. Why is the proposed timeline for this initiative within five years of the effective date of the settlement agreement when there may be a need for resilience centers as soon as Fall 2020?
  - ii. What is the estimated cost to set up a resilience center that has backup power for several days during a Public Safety Power Shutoff event?
  - iii. How many resilience centers are estimated to be funded through the \$2 million in shareholder funding?
  - iv. Who will determine where the resilience centers will be located? What criteria will be used to determine the locations of the resilience centers? Will the size of the communities served be considered? Will the Governor's Office of Emergency Services or other governmental entities be consulted prior to determining a location?
- f. Funding to California Foundation for Independent Living Centers
  - i. Provide additional details regarding the pilot program in development and breakdown of what activities the \$5 million in shareholder funding is expected to fund and over what time period.

- g. International Organization for Standardization (ISO) 55000 Certification
  - i. What will happen if there are gaps that prevent certification that cost more than \$1 million to address?
  - ii. How will the semi-annual audits be funded?
- h. Independent Wildfire Safety Audits
  - i. How will the Independent Wildfire Safety Audits be meaningfully different than the independent audits PG&E is required to undertake pursuant to Senate Bills (SB) 247 and SB 901 and Assembly Bill 1054?
  - i. Local Government Vegetation Management and System Hardening Data Sharing
    - i. How does PG&E intend to notify local governments of the availability of this data sharing?

**IT IS RULED** that Pacific Gas and Electric Company shall provide the information requested above by January 10, 2020.

Dated December 30, 2019, at San Francisco, California.

/s/ SOPHIA J. PARK  
\_\_\_\_\_  
Sophia J. Park  
Administrative Law Judge